

## Swine flu concern

**Public Health Service (PHS)** has expressed concern over the low level of participation in the swine flu vaccination program by black citizens & other residents of inner city areas.

While the number of those receiving vaccine to protect themselves against swine flu increases significantly each week, inner city residents have been slow to take advantage of the protection offered free at various immunization sites. Federal health officials say a major cause of the low level of participation by this group seems to be a concern about news reports of deaths of some persons who received inoculations. This remains a factor even though intensive investigation has shown no connection between the deaths & the vaccine. Average age of those who died was said to be 71 years & almost all had chronic illnesses.

Inner city residents will be among the most vulnerable if there is a flu epidemic, according to the Federal health authorities because influenza spreads most rapidly in areas where there are crowded living conditions. PHS is urging churches, consumer & civil rights organizations & civic groups to assist local health officials in encouraging inner city residents to get a shot of protection.

As of Nov. 6, more than 14 million persons received the flu vaccine.

**Advisory Council on Immunization Practices (ACIP)** has been studying the feasibility of giving swine flu shots to healthy children between the ages of 3 & 18, but at CONSUMER NEWS deadline, no decision had been made & that age group is not being given the shots.

## Note to manufacturers

CONSUMER NEWS wants to alert consumers about as many nationally recalled products as possible. Please help CN get the facts by sending recall information to CONSUMER NEWS, Office of Consumer Affairs, Washington, DC 20201, or call: 202-245-6877. Thanks.

### S-p-r-e-a-d-i-n-g the word

Stanford University, Stanford, CA, is researching consumer information systems. Research concentrates on local community projects that collect & disseminate information to consumers about retail prices & services; car & appliance repair centers; comparative banking opportunities; & other cost & service information. If you are aware of any such programs operating (previously conducted or being planned) in your community, you may want to inform Richard Zackon, 201 E. 37th St., Apt. 15-H, New York, NY 11016; phone: 212-371-4750.

# consumer news

DEPARTMENT OF HEALTH, EDUCATION & WELFARE  
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Virginia H. Knauer, Director

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## Federal paperwork

**Commission on Federal Paperwork** has completed the first year of its 2-year mission to explore the Federal paperwork maze & to make recommendations on how to simplify, shorten & eliminate duplication of Federal forms. Commission consists of 14 members: legislators, businessmen & consumer representatives. It began in October 1975, & its final report is due in October 1977. Interim reports & recommendations are made when duplications of Federal paperwork or shortcuts are discovered. Commission uses suggestions from consumers, business & government in making its recommendations for trimming the Federal paperwork burden. So far the commission has directed over 100 formal & informal recommendations to Congress, the President, Executive agencies, state & local governments & businesses.

One of commission's accomplishments was its advocacy of a measure that resulted in the passage of a new law requiring employers to report employee wages only once a year—previously wages had to be reported quarterly. Law saves 24-million pages of Federal forms.

In compiling information for its reports & recommendations, commission discovered how Federal paperwork directly affects consumers. Examples:

- A major pharmaceutical company revealed in testimony to the commission that the cost of required Federal paperwork adds 50¢ to the price of each prescription.
- Several hospitals reported to the commission that Federal paperwork alone costs them \$4 per patient per day.
- A nursing home operator testified before the commission that costs for collecting Medicare & Medicaid payments amounted to \$25,000 per year or approximately \$30 per patient per month.

Following are some specific areas in which commission has estimated cost savings by Federal paperwork reform:

- Saving \$6 billion yearly by combining application forms for 41 Federal & state welfare & income security programs. Tests are being conducted in 6 states to assess this approach & to devise nationwide application.
- Saving \$150 million annually by developing a uniform health billing form to be used by government, hospitals, nursing homes & private insurance companies for Medicare & Medicaid patients.
- Saving \$30 million a year by devising a simpler, less duplicative system for collecting & reporting energy statistics.

Commission encourages consumers & others who have comments or suggestions to contact it. Commission also has a number of public meetings scheduled to receive ideas & to formulate recommendations. List of meetings is below. For details, contact: Commission on Federal Paperwork, 1111 20th St. NW, Washington, DC 20582; phone 202-653-5400.

Nov. 18 & 19  
Dec. 2 & 3

Jan. 13 & 14  
Feb. 10 & 11  
Feb. 24 & 25

Miami  
Washington hearing &  
meeting  
Omaha  
New Orleans  
Washington hearing &  
meeting

March 17 & 18  
April 7 & 8

April 14 & 15  
April 28 & 29  
May 19 & 20  
May 26 & 27

Denver  
Washington hearing &  
meeting  
Los Angeles  
Commission meeting  
Commission meeting  
Dallas

## EFTS

To give credit where it is due, CONSUMER NEWS excerpted the following information about EFTS from testimony before the **National Commission on Electronic Fund Transfer** by Virginia Knauer, Special Assistant to the President for Consumer Affairs, & from a report by **National Credit Union Administration**, which based its report on work by **Federal Deposit Insurance Corp.** & Arthur D Little Inc.

EFTS means Electronic Funds Transfer Systems, which are electronic automation means of making payments. General types of EFTS are as follows:

1. Automated teller devices for financial institutions.
2. Point-of-sale systems in stores that include debit & credit authorization for purchases & returns. Systems also include immediate or overnight transfer of funds from customer accounts to store accounts.
3. Centralized, automatic payment of recurring bills—such as utility bills & mortgage payments—through use of payment authorization systems.
4. Direct deposit of paycheck at a bank or savings institution. This centralized, checklist payroll system uses magnetic tape to electronically transfer salaries from the firm's bank account to an employee's account.
5. Paperless transfer of payments among financial institutions. This is accomplished locally & regionally by automated clearinghouses & accomplished nationally by telegraph systems.

These forms are considered EFTS because of the use of computer technology to transfer money without paper—checks & other negotiable forms. EFTS projects may involve one financial institution or many. In the future, an international network may provide immediate deposits & withdrawals of accounts for all business transactions.

Businesses & financial institutions generally consider EFTS as a means of resolving the following problems:

- Check processing—Automated check clearing speeds up the present check payment system, & many checks can be eliminated through centralized payrolls, centralized bill payment & point-of-sale systems.
- Float—This is the difference between the time a check is written & when it is debited on the check writer's account. Float would be eliminated or reduced by EFTS because of the immediate debiting, thus requiring consumers to live within their actual account balance.
- Fraud—Point-of-sale EFTS would reduce the possibility of retail payment fraud through bad checks & nonpayment of mailed bills.

Consumer interest in EFTS includes the following possible advantages & disadvantages:

- Convenience—Advantages of EFTS are direct deposit of salary, pre-authorized bill payment & automated tellers for deposits or withdrawals at any time.
- Cost—Consumers could benefit through the more efficient operation of businesses & financial institutions that EFTS would provide. Also, consumers could save on check expenses & postage for many routine bills & save time in going to a financial institution to deposit a paycheck.
- Account balance—With money automatically going in & out of accounts, a consumer's checkbook & savings book could be only a hint of his/her actual balance.
- Account record—Cancelled checks are viewed as individual receipts & proof of payments of which a computer print-out or other form of computer data may not be an adequate substitute.
- Float—Instantaneous EFTS transactions could eliminate the grace period between the time a check is written or credit card used & the time when the check is debited or credit card bill is pay. Float, in many instances, amounts to short-term credit without the effort & cost of getting a loan. Also, float gives a consumer time to stop payment on a check.
- Mistakes—EFTS could increase the frequency of consumer vs. computer situations of correcting accounting mistakes & other aspects of billing errors.
- Fraud—EFTS could create a new form of fraud. Illegal electronic access to a computer system could be a means of stealing a consumer's money & stealing personal financial information.
- Privacy—EFTS would collect a great deal of personal financial facts of interest to credit bureaus, market researchers & government agencies, such as **Internal Revenue Service (IRS)** & **Federal Bureau of Investigation (FBI)**. There is need to protect consumers from unauthorized access to this computerized information.

Some of the common jargon associated with EFTS appears on page 3 of this issue of CONSUMER NEWS.

*Electronic Funds Transfer System: A Glossary of Terms*, published by National Credit Union Administration, lists more terms relating to EFTS & includes more detail about various facets of EFTS. Report is available for 40¢ from Superintendent of Documents, Government Printing Office, Washington, DC 20402.

## Check these terms of a partially 'checkless, cashless society'

**AUTOMATED CLEARINGHOUSE (ACH)**—Facility that electronically processes payments of funds & government securities among financial institutions & businesses.

**AUTOMATED TELLER MACHINES (ATM)**—These services (also called cash dispensers, total tellers, unmanned tellers & vestibule banking) dispense cash, accept deposits & transfer funds between a consumer's various accounts. Equipment generally is activated by a plastic card in combination with pushbuttons. Equipment may be on the premises of a financial institution or elsewhere. Equipment is used to expand facilities & extend business hours.

**BASE (BankAmericard Service Exchange)**—Nationwide network used to process BankAmericard credit transactions.

**BILL PAYMENT**—Checkless system for paying recurring bills through one authorization statement to a financial institution. Automated clearinghouses are used by financial institutions to make necessary debits & credits.

**CASH CARDS**—Plastic cards—different from credit cards—used in (1) automated teller equipment that dispenses cash, or (2) point-of-sale systems that involve immediate debiting & crediting of consumer accounts & crediting store accounts. (Nationwide credit cards may be used for that purpose in the future.)

**CASH DISPENSERS**—See Automated Teller Machines.

**CASH ITEM**—Any item that a bank has cashed or for which a bank has given immediate credit & which is processed routinely through normal banking systems.

**CATHODE RAY TUBE (CRT)**—An electronic vacuum tube containing a screen—like a TV set—on which information may be shown by pressing or typing the appropriate buttons or keys on the CRT keyboard or console.

**CHECK AUTHORIZATION**—Confirmation by a financial institution to a store that a consumer's balance is adequate to cover a particular check. EFTS technology attempts to make this authorization immediate & automatic by using computer terminals rather than telephone connections.

**CHECKLESS**—Refers to the ideas of the 1960's for development of a "checkless, cashless society" in which "paperless" processing systems are replaced by electronic processing systems. EFTS partially replaces checks, cash & paper.

**CHECK TRUNCATION**—This is the conversion of information on a check into electronic impulses after a check enters the processing system. Term refers to the truncation, or cutting short, of the physical processing of the check. Term may be misleading to persons knowledgeable in data processing, since, in data processing, "truncation" refers to the lopping off (& loss) of some portion of the information. In check truncation, all significant information is transferred from the check to the electronic system.

**COLLECTION ITEM**—Any item that a bank has received for collection & for which

settlement with the owner will be made only when the item is finally paid or returned.

**CREDIT AUTHORIZATION**—Usually the first use made of a point-of-sale system. This is authorization that a credit card is valid & that a customer's credit is good for the amount of the sale. Within EFTS, credit authorization involves use of a terminal device for reading credit card & transmitting & receiving information.

**DATA CAPTURE**—In point-of-sale systems, this term refers to functions performed by a terminal or computer in capturing information relative to a sale. This is in addition to authorization function of approving or disapproving a sale. Captured information is stored in a data base.

**DATA COMMUNICATIONS**—Data communications is a general data processing term that refers to highspeed communications between computers. It is an advancement over conventional teletypewriter transmission.

**DESCRIPTIVE BILLING**—System in which an account statement is not accompanied by copies of original invoices. Instead, statement contains information to permit consumer to identify the nature, date & amount of each transaction processed during the statement period.

**FACSIMILE TRANSMISSION**—Electronic means for transferring an image (precise reproduction) from one place to another.

**FLOAT**—Term for the amount of funds in the process of collection, which are represented by checks in the possession of one party but drawn on another bank.

**GIRO**—Bill payment system widely used in Europe. In giro systems, a single payment order can implement money transfers from a consumer's account to many other accounts on the books of the same financial institution. Giro system is characterized as a credit transfer system, while the US check system is characterized as a debit transfer system. Some EFTS bill payment systems in the US are similar to European giro systems.

**HARDWARE**—Term refers to any physical equipment that is usually part of a computer system—central processing unit, tape, disk, or drum storage units, printers, card readers & terminal devices.

**INTERBANK NATIONAL AUTHORIZATION SYSTEM**—National network used to approve Master Charge credit transactions.

**NEGATIVE FILE**—Authorization system file that contains a list of accounts for which credit, check cashing & other financial services should be denied.

**NEGOTIABLE**—Capable of being transferred by endorsement or delivery.

**NON-NEGOTIABLE**—Not capable of passing title or property by endorsement & delivery.

**PAYMENTS MECHANISM**—Any device, instrument or system that accomplishes the transfer of money. In relation to EFTS, payments mechanism usually refers to the US check system when referring to traditional methods. However, in specific contexts, term might also refer to automated clearinghouses, bill payment systems, credit systems or other methods & devices.

**PAYROLL DEPOSIT**—System that enables firms to pay employees—without writing checks—by direct deposit of funds to an employee's account.

**PERSONAL IDENTIFICATION NUMBER (PIN)**—Identification number assigned to an individual for utilizing electronic fund transfer devices.

**POINT-OF-SALE (POS)**—System accomplishes EFTS functions for stores. POS systems enable store to do any or all of the following functions through computer terminals in the store:

- Credit authorization, which includes insuring a card's validity & adequacy of a consumer's credit for a particular purchase.

- Debit authorization, which is being sure that a consumer's account contains sufficient uncommitted funds to cover a purchase.

- Electronic debiting of a consumer's credit account & crediting the store's account.

- Electronic transfer of funds from the consumer's account to the store's account.

**PRE-AUTHORIZATION**—See Bill Payment.

**SOFTWARE**—General data processing term referring to programs used to operate a computer & associated equipment.

**SUPERCHECK**—Generic term for multiple-bill-payment system.

**TERMINAL**—Within data processing, a terminal is a device for putting information into a computer system or for taking information out. Terminal may be like a typewriter, CRT device, printing device or hardware combining any of these functions.

**TRAVEL & ENTERTAINMENT CREDIT CARDS (T&E CARDS)**—Credit cards issued for use primarily for buying meals, lodging & transportation.

**UNIVERSAL PRODUCT CODE (UPC)**—Computerized process of checking out items at a point-of-sale location. Device at the checkout lane scans items for their UPCs (the thick & thin bars & spaces printed on many products). Information is sent to store's computer, which, in turn, sends back the unit price. Price & description of each item are printed on a cash register's tape at the checkout point.

**ZERO BALANCE ACCOUNT**—Concept involving establishment by banks of a checking account & savings account for the same consumer with the understanding that no funds will remain idle in the checking account. Deposits to the checking account are transferred into the savings account, & funds are transferred automatically by the bank from the savings account to the checking account to cover checks. Since funds are always moving in or out of the checking account, checking balance remains at zero.

**ZERO FLOOR LIMIT**—Floor limit is the amount up to which a consumer may make a credit purchase without his credit worthiness for that purchase being immediately verified. Consumer's floor limit is usually indicated on his credit card in some manner. Zero floor limit for an individual means that his/her credit worthiness must be verified for any purchase. Point-of-sale systems are characterized as providing a universal zero floor limit.

## Recalls

• **ELECTRIC ARC WELDERS**—Consumer Product Safety Commission (CPSC) has ordered the recall of 124,000 electric arc welders, manufactured between 1968 & 1975 by Wel-Dex Manufacturing Co. of Houston, TX. Welders, which were sold primarily by mail order for \$18.95, were recalled because CPSC said they could cause severe electrical shocks, burns or fires. For refund & replacement procedures, write to Wel-Dex Manufacturing Co, Box 10839, Houston, TX 77018, or call CPSC's toll-free number: 800-638-2666 (Maryland residents only should call 800-492-2937).

• **CARTRIDGES**—Federal Cartridge Corp. of Minneapolis, MN, is recalling certain 30-30 rifle cartridges & empty, unprimed 30-30 cartridge cases. Boxes carry brand names of Federal, Revelation, Wards or Hiawatha with lot codes ending in -5289 through -6285. Reason for recall: Manufacturer said case heads of a small number of cartridges may separate on firing, resulting in a jammed rifle & possible injury from escaping gas. In addition, Olin Corp.'s Winchester Group of East Alton, IL, is recalling 20 million rounds of 22-caliber long-rifle ammunition. Ammunition is sold nationally under the Wildcat label & identified with code LF03, LF12, LF62 PY or LF followed by the digit 22 or a higher number. Numbers 1, 2 or 3 may precede the LF in the code, & one or more letters may follow the 2-digit number; for example: 1-LF03-23-W. Reason for recall: Excessive pressure in some cartridges makes them potentially hazardous to shoot. In all cases, ammunition should be returned to dealer for refund. (Bureau of Alcohol, Tobacco & Firearms has no authority over the quality of guns & ammunition. This ammunition is being recalled voluntarily by the manufacturers.)

## Camping equipment

Consumer Product Safety Commission (CPSC) estimates that in 1975 approximately 6,600 injuries treated in emergency rooms were associated with portable camping equipment, such as camp stoves, lanterns, heaters & grills. Of these, 93% of the injured consumers were treated & released & 7% required hospitalization. CPSC says that this is a higher rate of hospitalization than for most other types of injuries associated with consumer products.

CPSC reports that it recorded 61 deaths caused by camping products. Twenty-four of the 61 deaths involved hibachi grills, & 23 resulted from carbon monoxide poisoning. All but 4 of the deaths involved adults aged 18 & over.

CPSC conducted in-depth investigations of 61 injuries related to portable camping equipment from January 1973 through December 1975 & identified the following main causes of injury:

- Inadvertent ignition of a fuel source was the common cause of 32 injuries. These ignitions usually involved the victim, or someone near the victim, pouring fuel on a previously lighted grill or refueling a stove or heater. Often this fuel was gasoline used as a substitute for other fuels intended for use in camp equipment.
- Contact with equipment resulted in 12 injuries. Children less than 5 years old were the majority of victims receiving burn injuries. Sharp edges & hard surfaces on grills & stoves also caused injuries in this category.
- Carbon monoxide poisoned 4 victims due to use of equipment in improperly ventilated areas.
- Explosions of equipment occurred in 4 accidents. An ignition source was present in 3 cases, but one lantern reportedly exploded several hours after it had been extinguished.
- Flammable vapors ignited in 2 cases. Vapors were said to have accumulated after fueling equipment & before igniting fuel.
- Tent fires, resulting from camp stove use, accounted for 2 injuries.

Five remaining cases in the 61-case study were due to swallowing lantern oil; chemical irritation caused by lantern fuel poured over head & face; burns due to boiling water from stove; burns resulting from lifting a grill cover when coals flamed up from dripping grease.

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